

FOR

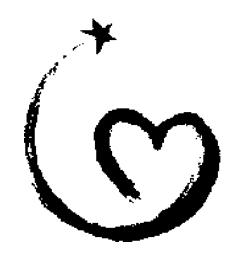
FFY 2006-2007

ATTACHMENT A

STATE PLAN FOR EARLY CHILDHOOD PROGRAM COORDINATION
(ARIZONA SCHOOL READINESS ACTION PLAN)
(Reference Section 3.1)

ARIZONA SCHOOL READINESS ACTION PLAN can be viewed at:

 $\underline{http://www.governor.state.az.us/cyf/school\ readiness/documents/Action\%20Plan\%20for\%20State\%20of\%20the\%20State.pdf}$



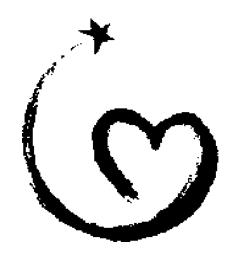
FOR

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ATTACHMENT B

SUMMARY OF PUBLIC COMMENTS
(Reference Section 2.2

A Summary of Public Comments will be added after Public Hearings are held.



FOR

FFY 2006-2007

ATTACHMENT C

CERTIFICATE OF AUTHORIZATION (example)
(Reference Section 3.1)

Attachment C

CHILD CARE OFFICE STREET ADDRESS CITY, STATE ZIP ARIZONA DEPARTMENT OF
ECONOMIC SECURITY
CHILD CARE
ADMINISTRATION

CERTIFICATE OF AUTHORIZATION

PROVIDER NAME STREET ADDRESS CITY, STATE ZIP LOCATIONAL ADDRESS: STREET ADDRESS CITY, STATE ZIP

PROVIDER PHONE NUMBER: 000-000-0000

CLIENT NAME CLIENT ID: 000000000

STREET ADDRESS

CITY, STATE ZIP DATE: MM/DD/YYYY

CHILD CARE SPECIALIST: (SPECIALIST NAME) TELEPHONE: 000-000-0000

THE FOLLOWING CHILD CARE SERVICES ARE AUTHORIZED FOR THE ABOVE PROVIDER:

ACT				BIRTH	START	STOP		FEE			CO-PAY
COD	E CHILD ID	CHILD NAME	SVC	DATE	DATE	DATE	KIND	LVL	UNIT	PROG	PER-DAY
0	0000000002	(CHILD NAME)	LC	MM/DD/YY	MM/DD/YY	MM/DD/YY	Z D	L1	23	В	\$1.00
0	0000000002	(CHILD NAME)	LC	MM/DD/YY	MM/DD/YY	MM/DD/YY	Z L	L1	23	В	\$.50

WHEN THE COPAYMENT FOR AN INDIVIDUAL CHILD EQUALS OR EXCEEDS THE DES PAYMENT TO THE CHILD CARE PROVIDER, NO DES PAYMENT WILL BE MADE FOR THAT CHILD. SEE BACK FOR DEFINITIONS.

If you have questions about the start and end dates of service, # of units or copayment assigned, or if you want to report that a client is not using services, or is not paying the assigned copayment, contact the Child Care Specialist at the office number listed on this notice.

If you have questions about completion of a billing document, or the processing or receipt of payments, contact the DES Payment Processing Unit at 602-542-5610 (if calling from Maricopa County) or 1-877-822-2322 X 2 (if calling from outside Maricopa County).

ACT CODE = ACTION CODES	SVC = SERVICE CODES
O - OPEN C - CHANGE (MAY INCLUDE CHANGES IN UNITS, CO-PAY, DATES OF AUTHORIZATIONS OR CASE MANAGER) X - CANCEL (AUTHORIZATIONS MADE IN ERROR)	LC - CENTER SN - SPECIAL NEEDS CG - DHS GROUP HOME CH - DES CERTIFIED HOME CI - DES CERTIFIED IN-HOME RH - RELATIVE HOME (NON-CERTIFIED) RI - RELATIVE IN-HOME (NON-CERTIFIED)

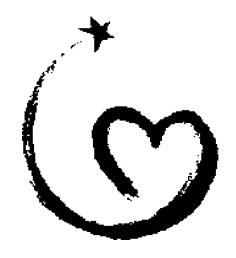
KIND	PROG = CHILD CARE PROGRAM
D - SIX OR MORE HOURS L - LESS THAN SIX HOURS	A - MAXIMUS B - BLOCK GRANT E - CASH ASSISTANCE EMPLOYED J - JOBS T - TRANSITIONAL
	I - IKANSHIUNAL

CO-PAY PER DAY = THE DES REQUIRED CO-PAY

NOTE: Any co-payment indicated is the required amount by DES guidelines. However, any family may be responsible for charges above these copayments if a provider's rates exceed state reimbursement maximums and/or the provider has other additional charges.

CLIENT APPEAL RIGHTS:

You have the right to appeal a decision on your eligibility if you believe that services should not have been reduced, stopped or denied. Contact you local DES Child Care office for information on filing an appeal.



FOR

FFY 2006-2007

ATTACHMENT D

PAYMENT RATES FOR THE PROVISION OF CARE (Reference Section 3.2

ARIZONA DEPARTMENT OF ECONOMIC SECURITY DIVISION OF EMPLOYMENT & REHABILITATION SERVICES CHILD CARE ADMINISTRATION

MAXIMUM REIMBURSEMENT RATES FOR CHILD CARE

(effective for services provided on or after 7/1/03)

CENTERS

Age Group	District I	District II	District III	District IV	District V	District VI
Birth < 1 yr:						
Full day	29.00	27.00	22.40	21.00	25.00	32.00
Part day	22.00	19.00	16.00	19.00	25.00	25.00
1 yr < 3 yrs:						
Full day	25.58	24.00	20.00	18.25	25.00	20.80
Part day	19.00	18.16	15.00	16.00	15.00	17.60
3 yrs < 6 yrs:						
Full day	23.20	22.00	18.00	17.00	20.00	17.60
Part day	16.00	16.00	13.02	15.50	12.40	12.20
6 yrs < 13 yrs:						
Full day	22.00	22.00	16.80	17.00	20.00	19.00
Part day	15.00	15.00	12.00	15.00	13.33	13.00

GROUP HOMES

Age Group	District I	District II	District III	District IV	District V	District VI
Birth < 1 yr:						
Full day	20.00	20.00	23.00	18.00	18.00	18.00
Part day	14.00	14.00	23.00	12.00	12.00	14.00
1 yr < 3 yrs:						
Full day	20.00	20.00	22.00	17.50	18.00	18.00
Part day	14.00	15.00	13.00	12.00	11.00	14.00
3 yrs < 6 yrs:						
Full day	20.00	20.00	22.00	16.00	18.00	16.00
Part day	13.00	15.00	13.95	12.00	10.00	14.00
6 yrs < 13 yrs:						
Full day	17.00	20.00	16.00	16.00	18.00	16.00
Part day	12.00	13.00	13.95	11.00	10.00	14.00

CERTIFIED FAMILY HOMES & CERTIFIED IN-HOME PROVIDERS

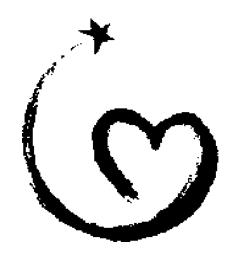
Age Group	District I	District II	District III	District IV	District V	District VI
Birth < 1 yr:						
Full day	20.00	17.00	17.00	16.00	17.00	16.00
Part day	12.00	10.00	10.00	8.50	10.00	8.00
1 yr < 3 yrs:						
Full day	18.00	17.00	16.00	15.00	16.00	16.00
Part day	12.00	10.00	10.00	8.00	10.00	8.00
3 yrs < 6 yrs:						
Full day	17.00	16.00	16.00	15.00	16.00	15.00
Part day	12.00	10.00	10.00	8.00	9.00	8.00
6 yrs < 13 yrs:					_	
Full day	16.00	16.00	16.00	15.00	15.00	15.00
Part day	10.00	10.00	9.00	8.00	9.00	8.00

The actual reimbursement amount is equal to the reimbursement rate minus any DES designated co-payment. However, in no event shall the amount reimbursed exceed the lesser of the provider's actual charges or the maximum reimbursement rate minus any DES designated co-payment.

Payment Rates for Non-Certified Relative Providers (NCRPs) will be \$10.50 for Full day and \$6.00 for Part day, minus any DES designated copayment. This rate will be paid to NCRPs statewide for care provided to children of all ages.

The maximum reimbursement rates may be increased by up to ten percent, for child care providers who are nationally accredited.

Full day = six or more hours per day. Part day = less than six hours per day



FOR

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ATTACHMENT E

MARKET RATE SURVEY INSTRUMENT (Reference Section 3.2)

<u>DES Child Care Rate Survey – 2004</u> Maricopa County Office of Research & Reporting

1.	First, I would like to ask you some general questions about the child care services you provide How many children do you have approval to care for at one time? (How many children CAN you take care of at one time?)								
	NUMBER OF CHILDREN APPROVED								
2.	On an average day, how many children are normally cared for at your (center / home)?								
	AVERAGE NUMBER OF CHILDREN								
3.	Now we want to talk about FULL-DAY and PART-DAY child care. By FULL-DAY care we mean caring for the child for 6 or more hours in a day, by PART-DAY we mean care for less than 6 hours in a day. Do you provide or offer care for a child for 6 or more hours a day (FULL-DAY child care)?								
	[0] NO (skip to q 4, Next Page)								
	[1] YES								
3a.	Do you have a DAILY rate you charge for FULL -DAY care? (6 or more hours each day?)								
	[1] YES, DAILY RATE (skip to q 3c)								
	[2] NO, HOURLY RATE (skip to q 3c)								
	[3] NO, WEEKLY RATE								
	[4] NO, MONTHLY								
	[6] NO, OTHER (Specify)								
3b.	How many days per week does this rate include?								
	DAYS PER WEEK								
3c.	How much (do / would) you charge per (day / week / hour / month) for FULL -DAY care of children UNDER ONE YEAR OF AGE?								
	\$ [0] NO FULL DAY FOR CHILDREN UNDER ONE								
3d.	How much (do / would) you charge per (day / week / hour / month) for one and two year old for full-day care?								
	\$ [0] NO FULL DAY FOR CHILDREN 1 OR 2								
3e.	How much (do / would) you charge per (day / week / hour / month) for three, four and five year olds? (For full -day care?)								
	\$ [0] NO FULL DAY FOR CHILDREN 3, 4 OR 5								
3f.	What about children six through twelve years, how much (do / would) you charge per (<u>day</u> / week / hour / month) for school age children <i>on those days when the child is not in school</i>								
	\$ [0] NO FULL DAY FOR SCHOOL AGE CHILDREN								

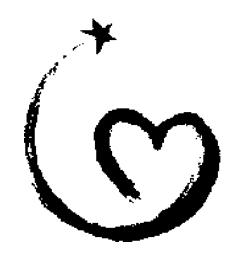
	Do you offer care for a child for fewer than 6 hours a day (PART-DAY child care)?
	[0] NO (skip to q 5, Next Page)
	[1] YES
4a.	Do you have a DAILY rate you charge for PART -DAY care? (Fewer than 6 hours per day?)
	[1] YES, DAILY RATE (skip to q 4c)
	[2] NO, HOURLY RATE (skip to q 4c)
	[3] NO, WEEKLY RATE
	[4] NO, MONTHLY
	[5] NO, OTHER
4b.	How many days per week does this rate include?
	DAYS PER WEEK
4c.	How much (do / would) you charge per (day / week / hour / month) for PART -DAY care of children UNDER ONE YEAR OF AGE?
	\$ [0] NO PART DAY FOR CHILDREN UNDER ONE
4d.	How much (do / would) you charge per (day / week / hour / month) for one and two year olds for part -day care?
	\$ [0] NO PART DAY FOR CHILDREN 1 OR 2
4e.	How much (do / would) you charge per (day / week / hour / month) for three, four and five year olds? (For part -day care?)
	\$ [0] NO PART DAY FOR CHILDREN 3, 4 OR 5
4f.	What about children six through twelve years, how much (do / would) you charge per (day / week / hour / month) for before and/or after school care?
	\$ [0] NO PART DAY FOR SCHOOL AGE CHILDREN

Now we want to talk about PART-DAY child care.

4.

5.	The next few questions relachange for other services of Do you offer a discount for	ffered.				
	[0] NO (skip to q 6)		[1] YE	S		
	5a. Are there any order to rece	•		uch as advan	ce payment, that must be m	net in
	[0] [1] [2] [6]	YES, A	ONDITIONS OR R ADVANCE PAYMI ONLY FOR FULL OTHER RESPONS	ENT REQUIRED DAY (NOT PART		
6.	Do you offer <u>regular</u> evenir hours between 6:30pm and	-	•	ening care, we	mean care that includes th	е
	[0] NO (skip to q 7)		[1] YES			
		6a.	Do you charge	e a higher rate	for evening care?	
			[0] NO	ı	[1] YES	
7.	Do you offer <u>regular</u> nightti hours between midnight ar		•	ghttime care,	we mean care that includes	the
	[0] NO (skip to q 8)		[1] YES			
		7a.	Do you charge	e a higher rate	for this nighttime care?	
			[0] NO	1	[1] YES	
8.	Do you offer regular Saturo	day an	d/or Sunday ch	ild care?		
	[0] NO (skip to q 9)		[1] YES			
		8a.	Do you charge	e a higher rate	for weekend care?	
			[0] NO	ı	[1] YES	
9.	Do you offer regular extend	ded ca	ire, care for mo	re than 12 hou	ırs a day?	
	[0] NO (skip to end)		[1] YES			
		9a.	Do you charge	e a higher rate	for this extended day child	care?
			[0] NO	ı	[1] YES	
	you very much for your tile, but there may be some other.		•			fferent
Are th	ere any comments you wou	ıld like	to make at this	time?		
If you s	hould have any questions about	this stud	dy, please feel free	e to call us at (60	02) 506-1600 or (877) 499-6	6100.

Or you may want to call the D.E.S. Child Care Administration at (602) 542-2568.



FOR

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ATTACHMENT E-1

MARKET RATE SURVEY SUMMARY

Conducted by Maricopa County Research and Reporting

Centers Average Rate Charged Per Day For Full-Time (Six Or More Hours) Child Care

		DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5	DISTRICT 6	
		MARICOPA	PIMA	APACHE	LAPAZ	GILA	COCHISE	
				COCONINO	MOHAVE	PINAL	GRAHAM,	
				NAVAJO	YUMA		GREENLEE	TOTAL STATE
				YAVAPAI			SANTA CRUZ	
Children	50 th percentile	33.00	30.00	23.26	20.00	26.00	22.00	31.00
Under One	75 th percentile	36.25	33.40	30.00	22.00	35.00	25.80	36.00
One &Two	50 th percentile	29.65	27.02	20.00	19.00	24.00	20.80	27.91
Year Olds	75 th percentile	34.00	32.40	23.02	20.00	30.00	26.25	33.00
Three, Four & Five	50 th percentile	25.80	24.00	18.00	18.00	22.00	20.00	24.19
Year Olds	75 th percentile	30.00	29.35	21.40	19.00	25.20	24.15	29.35
School Age	50 th percentile	24.00	23.00	16.80	18.00	22.00	19.00	23.00
Children	75 th percentile	29.00	29.00	20.00	19.00	25.00	20.00	28.00

Conducted by Maricopa County Research and Reporting

Centers Average Rate Charged Per Day For Part-Time (Less Than Six Hours) Child Care

		DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5	DISTRICT 6	
		MARICOPA	PIMA	APACHE	LAPAZ	GILA	COCHISE	
				COCONINO	MOHAVE	PINAL	GRAHAM,	
				NAVAJO	YUMA		GREENLEE	TOTAL STATE
	T			YAVAPAI			SANTA CRUZ	
Children	50 th percentile	25.00	22.00	18.00	16.00	26.00	22.00	24.00
Under One	75 th percentile	30.00	24.00	24.00	18.00	30.00	25.80	30.00
One &Two	50 th percentile	21.40	20.23	15.00	16.00	19.20	17.00	20.00
Year Olds	75 th percentile	26.00	25.00	18.00	17.00	25.00	18.35	25.00
Three, Four & Five	50 th percentile	17.00	16.00	11.00	12.60	17.00	13.50	16.00
Year Olds	75 th percentile	22.00	21.00	15.00	16.00	20.00	19.00	20.93
School Age	50 th percentile	15.00	15.00	10.50	12.00	17.60	12.00	15.00
Children	75 th percentile	19.80	19.00	14.00	15.60	20.00	13.00	19.00

Conducted by Maricopa County Research and Reporting

Certified Group Homes Average Rate Charged Per Day For Full-Time (Six Or More Hours) Child Care

		DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5	DISTRICT 6	
		MARICOPA	PIMA	APACHE	LAPAZ	GILA	COCHISE	
				COCONINO	MOHAVE	PINAL	GRAHAM,	
				NAVAJO	YUMA		GREENLEE	TOTAL STATE
	1			YAVAPAI			SANTA CRUZ	
Children	50 th percentile	25.00	20.00	20.00	20.00	25.00	20.00	22.00
Under One	75 th percentile	27.00	24.00	30.00	20.00	26.00	27.00	25.00
One &Two	50 th percentile	22.00	22.00	20.00	18.00	24.00	20.00	20.00
Year Olds	75 th percentile	25.00	23.00	25.00	20.00	25.00	25.00	25.00
Three, Four & Five	50 th percentile	20.00	20.00	20.00	18.00	22.00	20.00	20.00
Year Olds	75 th percentile	25.00	23.00	25.00	20.00	25.00	25.00	24.00
School Age	50 th percentile	20.00	20.00	18.00	18.00	22.00	20.00	20.00
Children	75 th percentile	23.00	23.00	25.00	19.00	25.00	20.00	22.00

Conducted by Maricopa County Research and Reporting

Certified Group Homes Average Rate Charged Per Day For Part-Time (Less Than Six Hours) Child Care

		DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5	DISTRICT 6	
		MARICOPA	PIMA	APACHE	LAPAZ	GILA	COCHISE	
				COCONINO	MOHAVE	PINAL	GRAHAM,	
				NAVAJO	YUMA		GREENLEE	TOTAL STATE
	1			YAVAPAI			SANTA CRUZ	TOTALSTATE
Children	50 th percentile	15.00	15.00	16.00	13.00	15.00	18.00	15.00
Under One	75 th percentile	20.00	18.00	19.00	15.00	16.00	19.00	19.00
One &Two	50 th percentile	15.00	15.00	14.00	13.00	13.00	16.00	15.00
Year Olds	75 th percentile	19.00	18.00	18.00	15.00	15.00	18.00	18.00
Three, Four & Five	50 th percentile	15.00	15.00	14.00	13.00	13.00	15.00	15.00
Year Olds	75 th percentile	18.60	17.00	18.00	15.00	15.00	17.00	17.00
School Age	50 th percentile	13.00	15.00	13.00	12.00	13.00	15.00	13.75
Children	75 th percentile	17.00	16.00	16.00	14.00	15.00	18.00	16.00

Conducted by Maricopa County Research and Reporting

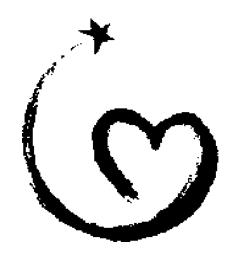
Approved Homes Average Rate Charged Per Day For Full-Time (Six Or More Hours) Child Care

		DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5	DISTRICT 6	
		MARICOPA	PIMA	APACHE	LAPAZ	GILA	COCHISE	
				COCONINO	MOHAVE	PINAL	GRAHAM,	
				NAVAJO	YUMA		GREENLEE	TOTAL STATE
	l th			YAVAPAI			SANTA CRUZ	
Children	50 th percentile	20.00	20.00	20.00	18.00	20.00	18.00	20.00
Under One	75 th percentile	25.00	20.00	24.00	18.00	25.00	20.00	23.00
One &Two	50 th percentile	18.00	20.00	20.00	17.00	20.00	18.00	18.00
Year Olds	75 th percentile	22.50	20.00	20.00	18.00	24.00	20.00	20.00
Three, Four & Five	50 th percentile	16.00	20.00	18.00	16.00	20.00	16.00	18.00
Year Olds	75 th percentile	20.00	20.00	20.00	18.00	21.00	20.00	20.00
School	50 th percentile	15.00	20.00	18.00	16.00	20.00	16.00	16.00
Age Children	75 th percentile	20.00	20.00	20.00	18.00	21.00	20.00	20.00

Conducted by Maricopa County Research and Reporting

Approved Homes Average Rate Charged Per Day For Part-Time (Less Than Six Hours) Child Care

		DISTRICT 1	DISTRICT 2	DISTRICT 3	DISTRICT 4	DISTRICT 5	DISTRICT 6	
		MARICOPA	PIMA	APACHE	LAPAZ	GILA	COCHISE	
				COCONINO	MOHAVE	PINAL	GRAHAM,	
				NAVAJO	YUMA		GREENLEE	TOTAL STATE
				YAVAPAI			SANTA CRUZ	TOTALSTATE
Children	50 th percentile	12.00	12.00	10.00	10.00	10.00	9.00	11.00
Under One	75 th percentile	16.00	15.00	14.00	12.00	15.00	10.25	15.00
One &Two	50 th percentile	12.00	12.00	10.00	10.00	10.00	9.00	10.00
Year Olds	75 th percentile	15.00	15.00	13.00	12.00	13.00	10.00	14.00
Three, Four & Five	50 th percentile	11.00	12.00	10.00	10.00	10.00	8.65	10.00
Year Olds	75 th percentile	15.00	15.00	13.00	12.00	12.00	10.00	13.00
School	50 th percentile	10.00	10.00	10.00	10.00	10.00	8.00	10.00
Age Children	75 th percentile	15.00	12.50	12.00	12.00	12.00	10.00	12.00



FOR

FFY 2006-2007

ATTACHMENT F

<u>DEFINITION OF "INCOME" FOR THE PURPOSES OF ELIGIBILITY</u>
(Reference Section 3.3.2)

DEFINITION OF "INCOME" FOR THE PURPOSE OF ELIGIBILITY

(The following information is excerpted from the DES Child Care Policy Manual)

I. Income Eligibility for Child Care Assistance

Income eligibility for child care assistance is based on the gross monthly income of all family members who are included in Family Size as described below.

II. Family Size

Family size is based on the applicant (primary person) and any other parent or responsible person residing in the same household who are legally responsible to financially support either the applicant, or dependents residing in the same household for whom Child Care Assistance is being requested.

A. Family size shall consist of:

- 1. The applicant for Child Care Assistance;
- 2. The applicant's children (under the age of 18 years);
- 3. Any other parent/responsible person in the household who is legally/financially responsible for either the applicant, or for the children needing care; and
- 4. The children of the other parent/responsible person residing in the same household (under the age of 18 years).
- **B.** Parents/responsible persons who are legally married to the applicant and who are temporarily separated physically but with intentions of remaining a family (e.g. incarceration, military assistance) shall be included in family size.

C. When the Applicant is a Nonparent Relative of the Children Needing Care

When the non-parent relative is requesting Child Care Assistance for other related children only (e.g. nieces/nephews, grandchildren): The non-parent relative is not counted in the family size and; the child is a household of one with only the child's income counted.

D. When the Applicant is the Legal Guardian of the Children Needing Care

When the legal guardian is applying for a child in guardianship only: The legal guardian shall not be included in family size; their income shall be excluded and; the child shall be considered as a household of one with only the child's income counted.

E. Unwed Minor Parents who Live with their Parents

When the applicant is an unwed minor parent (is not married, separated, or divorced) who also resides with their own parents, the following guidelines apply.

If Child Care Assistance is requested for the children of a minor parent who resides with their parents, the Specialist shall make one family size determination for the family consisting of the minor parent, his/her child, and the other parent/responsible person of the child needing care.

The parents and siblings of the minor parent shall not be included in family size (however, a portion of the income received by the parents of the minor parent shall be deemed and counted as available to the minor parent, after an amount equivalent to 165% of FPL {for the parents of the minor parent and their children} has been subtracted.

III. Countable Income

The gross monthly income of a family shall include:

- **A.** Gross earnings received for work including: wages, salary, armed forces pay (Base Pay only: military allotments for food and shelter costs provided to military personnel who live off base are excluded from the income calculation), commissions, tips, overtime, teaching assistance wages, piece-rate payments, and cash bonuses earned, before any deductions (including but not limited to taxes, bonds, pensions, union dues, and garnishments).
- **B.** Net income from non-farm self employment, which includes gross receipts minus business expenses.

Gross receipts include the value of all goods sold and services rendered.

Business expenses include costs of goods and services purchased or produced, rent, heat, light, power, depreciation charges, wages, and salaries paid, business taxes and other expenses incurred in operating the business. The value of salable merchandise consumed by the proprietors of retail stores is not included as part of net income. Payments on loans or mortgages obtained to increase capital investments in property or equipment are not allowed as deductible expenses.

C. Net income from farm self employment which includes gross receipts minus operating expenses from the operation of a farm by persons as owner, renter, or tenant farmer.

Gross receipts include the value of all products sold, government crop loans, money received from the rental of farm equipment to others and incidental receipts from the sale of wood, sand, gravel, and similar items.

Operating expenses include costs of feed, fertilizer, seed, and other farming supplies, wages paid to farm hands, depreciation charges, cash rent, interest on farm mortgages, farm building repairs, farm taxes (not state and federal income taxes), and other expenses incurred in operation of the farm. The value of fuel, food, or other farm products used for family living is not included as part of net income. Payments on loans or mortgages obtained to increase capital investments in property or equipment are not allowed as deductible expenses.

- **D.** Social Security payments prior to deductions for medical insurance including Social Security benefits and "survivors" benefits, and permanent disability insurance payments made by the Social Security Administration.
- **E.** Railroad retirement insurance income.

- **F.** Dividends including interest on savings/checking accounts, stocks, and bonds, membership in association, income and receipts from estates or trusts, net rental income (minus deductions for costs or repairs, utilities paid, maintenance insurance and mortgage payments prorated on a monthly basis), net royalties, receipts from boarders or lodgers (net income received from furnishing room and board shall be one third of the total amount charged). Interest on Series H. United States Government Savings bonds shall be prorated on a monthly basis.
- **G.** Mortgage payments received shall be prorated on a monthly basis.
- **H.** Public assistance payments including payments from the following programs: Cash Assistance, Supplemental Security Income (SSI), State Supplementary Payments (SSP), General Assistance (GA), Bureau of Indian Affairs General Assistance (BIAGA), and Tuberculosis Control (TC).
- **I.** Pensions and annuities including pensions or retirement benefits paid to a retired person or their survivors by a former employer or by a union, or distributions or withdrawals from an individual retirement account. If payments are made in periodic payments from annuities of insurance, the payments shall be prorated on a monthly basis.
- **J.** Unemployment Insurance payments including compensation received from government unemployment insurance agencies or private companies during periods of unemployment, and any strike benefits received from union funds.
- **K.** Worker's compensation payments.
- **L.** Money received from the Domestic Volunteer Act when the adjusted hourly payment is equal to or greater than minimum wage. Action Volunteer Programs include VISTA, Foster Grandparent Program (FGP), Retired Senior Volunteer Program (RSVP), and Senior Companion Program (SCP).
- **M.** Alimony or spousal maintenance which shall be counted the month received.
- **N.** Child support which shall be counted the month received.
- **O.** Veterans' pensions including benefits and disability payments paid periodically by the Veterans Administration to members of the Armed Forces or to a survivor of deceased veterans. Money received shall be prorated on a monthly basis.
- **P.** Cash gifts received on a monthly (or recurring) basis from relatives, other individuals, and private organizations, as a direct payment in the form of money.
- **Q.** Money received through the lottery, sweepstakes, contests, or through gambling ventures whether received on an annuity or lump sum basis.
- **R.** Any other source of income not specifically excluded as outlined in Excluded Income below.

IV. Excluded Income

The gross monthly income for a family shall not include:

- **A.** Per capita payments to or funds held in trust for any individual in satisfaction of a judgment of the Indian Claims Commission or the Court of Claims.
- **B.** Payments made pursuant to the Alaska Native Claims Settlement Act to the extent such payments are exempt from taxation under section 21 (a) of the Act.
- **C.** Money or capital gains received as a lump sum, from the sale of personal or real property, such as stocks, bonds, or a car (unless the person was engaged in the business of selling such property, in which case the net proceeds would be counted as income from self employment).
- **D.** Withdrawals of bank deposits.
- **E.** Loans; money borrowed.
- **F.** Tax refunds.
- **G.** Any monies received through the federal Earned Income Credit (EIC).
- **H.** One time lump sum awards or benefits, including:
 - 1. Inherited funds;
 - 2. Insurance awards:
 - 3. Damages recovered in a civil suit;
 - 4. Monies contributed by a client to a retirement fund that are later withdrawn prior to actual retirement; and
 - 5. Retroactive public assistance payments.
- **I.** The value of U.S. Department of Agriculture (USDA) Food Stamps.
- **J.** The value of USDA donated food.
- **K.** The value of any supplemental food assistance received under the Child Nutrition Act of 1966 and special food service program for children under the National School Lunch Act, the Women, Infant, and Children Program (WIC), Child and Adult Care Food Program (C.A.C.F.P.), and the School Lunch Program.
- **L.** Any payment received under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (e.g. Navajo/Hopi Relocation Act).
- **M.** Earnings of a child who is under the age of 18 and attending high school or other training program, and who is not a minor parent who needs Child Care Assistance for his or her own child (the earnings of a minor parent who needs care for his or her own child are countable).

- **N.** Home produce used for household consumption.
- **O.** Government sponsored training program expenses (TRE payments) such as: training related expenses paid to Jobs participants and Job Training Partnership Act (JTPA) training expenses paid directly to the client.
- **P.** Military allotments for food and shelter costs for military personnel who live off base, when the allotment is specifically designated as such (e.g. Basic Allowance for Quarters [BAQ]). Armed forces base pay is countable income.
- **Q.** The value of goods or services received in exchange for work.
- **R.** Interest on Series E United States Government Savings bonds.
- **S.** Foster care maintenance payments received for care of foster children.
- **T.** Adoption subsidy payments received for the care of adopted children.
- **U.** Educational loans, grants, awards, and scholarships regardless of their source, including Pell Grants, Supplemental Educational Opportunity Grants (SEOG), Bureau of Indian Affairs (BIA) Student Assistance Grants, college work study income, Carl D. Perkins Vocational and Applied Technology Education Act income, and any other state or local, public or private educational loans, grants, awards, and scholarships.
- **V.** Money received from the Domestic Volunteer Act when the adjusted hourly payment is less than minimum wage; Action Volunteer Programs include VISTA, Foster Grandparent Program (FGP), Retired Senior Volunteer Program (RSVP) and Senior Companion Program (SCP).
- W. Housing and Urban Development (HUD) benefits, cash allowances and credits against rent.
- **X.** Vendor payments including payments made directly to a third party by friends, relatives, charities, or agencies to pay bills for the client.
- **Y.** Vocational Rehabilitation (VR) training related expenses (TRE) which are reimbursements for expenses paid. Subsistence and maintenance allowances, and incentive payments not designated as wages. Intended use shall be verified by the VR counselor.
- **Z.** Disaster relief funds and emergency assistance provided under the Federal Disaster Relief Act, and comparable assistance provided by a State, local government, or disaster assistance organization.
- **AA.** Energy assistance including all state or federal benefits designated as "energy assistance" or assistance from a municipal utility or non-profit agency.
- **BB.** Agent Orange payments.
- **CC.** Reimbursements for job related expenses, which are less than or equal to the actual expense incurred.
- **DD.** Any other income specifically excluded by applicable state or federal law.

V. Income Deduction

Child support that is paid for dependents who do not reside in the same household with the eligible family shall be deducted from the monthly gross countable income prior to income calculation and fee level and copayment assignment.

VI. Income Calculation

The Child Care Specialist shall calculate gross monthly income as outlined below.

- **A.** The Specialist shall include all income of all family members included in the family size determination, other than excluded income (refer to Excluded Income for definitions of excluded income sources).
- **B.** The Specialist shall calculate a monthly figure for each source of income separately with the appropriate method used for calculation.
- **C.** After calculating monthly income for each source of income, the Specialist shall add the monthly amounts from each source to obtain the total monthly income.
- **D.** The Specialist shall convert income received less often than monthly to a monthly figure as indicated below.
 - 1. The Specialist shall prorate the total income over the number of months that the income is intended to cover.
 - 2. If the income is received on or after the date of application, a monthly share of income shall be considered beginning with its earliest possible effective date and for a number of months equal to the number of months, which the income covers.
 - 3. If the family receives the income prior to the date of application, the number of months that the income is intended to cover shall be equal to the number of months of coverage remaining.
- **E.** The Specialist shall convert income received more often than monthly, for a period covering less than a month, to a monthly amount by one of the methods listed below.
 - 1. If the income amount does not vary and is received monthly, weekly, bi-weekly, or semi-monthly, the conversion to a monthly amount will be obtained by multiplying the pay period amount by: a) 1, if monthly; b) 4.3, if weekly; c) 2.15, if bi-weekly; or d) 2, if semi-monthly.
 - 2. This amount shall be applied as income on an ongoing monthly basis until there is a change in the income.
 - 3. If the monthly income received varies in amount and frequency, and exact monthly figures are unavailable, the Specialist shall use an average monthly figure.
- **F.** When a family receives a new income source that will be received monthly, weekly, bi-weekly or semi-monthly: A new fee level or ineligibility shall not be assessed to the client until the monies are available to the client and; the income shall not be considered available to the family until 10 days after the date that the first payment is received.

VII. Income Deeming Process for Unwed Minor Parents who Live with Their Own Parents

When unwed minor parents reside with their own parents, a portion of the gross monthly income of parents of unwed minor parents shall be deemed as available and considered countable income for the unwed minor parent for the purpose of determining income eligibility. The deeming process shall not be applied when the minor parent does not reside with their own parents or when the minor parent is married, separated, or divorced.

- **A.** When unwed minor parents reside with their own parents, the Child Care Specialist shall:
 - 1. Verify monthly countable earned and unearned income received by the parents of the unwed minor parent;
 - 2. Deduct any Child Support paid by the parent of the unwed minor parent from the total countable income; and
 - 3. Determine the total number of household dependents for whom the parents of the unwed minor parent have the legal and financial responsibility to support. This number shall include: The parent(s) themselves; and any other children or dependents residing in the same household. This number shall not include the unwed minor parent and their children.
- **B.** The deeming process applies to unwed minor parents only, and shall not be used when the minor parent is married, separated, or divorced.

C. Dependent Deduction Chart

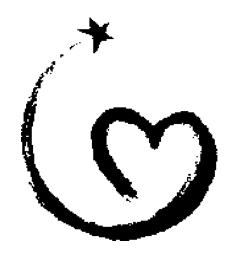
The worksheet and chart on the following page displays how income, that will be deducted from the parents' gross monthly income based on the number of their dependents as described above, is determined. The remaining income shall be deemed as available to the unwed minor parent.

CHILD CARE ASSISTANCE UNWED MINOR PARENT DEEMING WORKSHEET

CASE NAME (Last, First, M.I.)	CLIENT ID
Total Monthly Earned Income received by parent of the unwed minor parent.	\$
2. Total Monthly Unearned Income received by parent of the unwed minor parent.	\$
3. Subtotal (Add lines 1 and 2)	\$
4. Number of dependents; Enter amount required to support the other dependents according the Dependent Deduction Chart below (this number includes the parents of the minor parents, and any of their chart dependents residing in the same household; this number does not include the minor parent or the minor parent's children).	•
5. Child Support payments paid monthly for persons living outside of the home.	\$
6. Subtotal (Add lines 4 and 5)	\$
7. Total income deemed as available to the unwed minor parent. (Subtract line 6 from line 3)	\$
8. Earned income received monthly by the unwed minor parent.	\$
9. Unearned Income received monthly by the unwed minor parent.	\$
10. Total countable income for the unwed minor parent. (Add lines 7, 8, and 9)	\$
11. Enter fee level if the unwed minor parent is eligible for Child Care Assistance	

Dependent Deduction Chart

Number of Dependents (Not including minor parent and the minor parent's child[ren])	165% 2005 FPL Income deducted from parent' income to determine deemed portion							
1	\$1,317							
2	\$1,766							
3	\$2,213							
4	\$2,662							
5	\$3,111							
6	\$3,558							
7	\$4,007							
8	\$4,455							
9	\$4,903							
10	\$5,351							
11	\$5,800							
12	\$6,186							



FOR

FFY 2006-2007

ATTACHMENT G

SLIDING FEE SCALE (Reference Section 3.5)

ARIZONA DEPARTMENT OF ECONOMIC SECURITY

CHILD CARE ASSISTANCE GROSS MONTHLY INCOME ELIGIBILITY CHART AND FEE SCHEDULE

EFFECTIVE JULY 1, 2005

	FEE LEVEL 1	FEE LEVEL 2	FEE LEVEL 3	FEE LEVEL 4	FEE LEVEL 5	FEE LEVEL 6
Family	(L1)	(L2)	(L3)	(L4)	(L5)	(L6)
Size	INCOME	INCOME	INCOME	INCOME	INCOME	INCOME
↓ ↓	MAXIMUM	MAXIMUM	MAXIMUM	MAXIMUM	MAXIMUM	MAXIMUM
•	EQUAL TO OR LESS					
	THAN 85% FPL*	THAN 100% FPL*	THAN 135% FPL*	THAN 145% FPL*	THAN 155% FPL*	THAN 165% FPL*
1	0 – 679	680 – 798	799 – 1,078	1,079 – 1,158	1,159 – 1,237	1,238 – 1,317
2	0 – 910	911 – 1,070	1,071 – 1,445	1,446 – 1,552	1,553 – 1,659	1,660 – 1,766
3	0 – 1,140	1,141 – 1,341	1,342 – 1,811	1,812 – 1,945	1,946 – 2,079	2,080 – 2,213
4	0 – 1,372	1,373 – 1,613	1,614 – 2,178	2,179 – 2,339	2,340 – 2,501	2,502 – 2,662
5	0 – 1,603	1,604 – 1,885	1,886 – 2,545	2,546 – 2,734	2,735 – 2,922	2,923 – 3,111
6	0 – 1,833	1,834 – 2,156	2,157 – 2,911	2,912 – 3,127	3,128 – 3,342	3,343 – 3,558
7	0 – 2,064	2,065 – 2,428	2,429 – 3,278	3,279 – 3,521	3,522 – 3,764	3,765 – 4,007
8	0 – 2,295	2,296 – 2,700	2,701 – 3,645	3,646 – 3,915	3,916 – 4,185	4,186 – 4,455
9	0 – 2,526	2,527 – 2,971	2,972 – 4,011	4,012 – 4,308	4,309 – 4,606	4,607 – 4,903
10	0 – 2,757	2,758 – 3,243	3,244 – 4,379	4,380 – 4,703	4,704 – 5,027	5,028 – 5,351
11	0 – 2,988	2,989 – 3,515	3,516 – 4,746	4,747 – 5,097	5,098 – 5,449	5,450 – 5,800
12	0 – 3,219	3,220 – 3,786	3,787 – 5,112	5,113 – 5,490	5,491–5,869	5,870 – 6,186**

MINIMUM REQUIRED CO-PAYMENTS

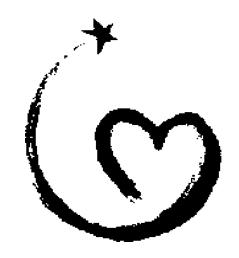
1st child	full day =\$1.00	full day =\$2.00	full day =\$3.00	full day =\$5.00	full day =\$7.00	full day =\$10.00
in care	part day =\$.50	part day =\$1.00	part day =\$1.50	part day =\$2.50	part day =\$3.50	part day =\$5.00
2nd child	full day =\$.50	full day =\$1.00	full day =\$1.50	full day =\$2.50	full day =\$3.50	full day =\$5.00
in care	part day =\$.25	part day =\$.50	part day =\$.75	part day =\$1.25	part day =\$1.75	part day =\$2.50
3rd child	full day =\$.50	full day =\$1.00	full day =\$1.50	full day =\$2.50	full day =\$3.50	full day =\$5.00
in care	part day =\$.25	part day =\$.50	part day =\$.75	part day =\$1.25	part day =\$1.75	part day =\$2.50

No minimum required co-pay for 4th (or more) child in care. Full day = six or more hours; part day = less than six hours.

Families receiving Child Care Assistance based upon involvement with Child Protective Services/Foster Care, the Jobs Program, the Arizona Works Program or those who are receiving Cash Assistance (CA) and who are employed, may not have an assigned fee level and may not have a minimum required co-payment. However, all families may be responsible for charges above the minimum required co-payments if a provider's rates exceed allowable state reimbursement maximums and/or the provider has other additional charges.

^{*} Federal Poverty Level (FPL) =US DHHS 2005 poverty guidelines.

^{**} This amount is equal to the Federal Child Care & Development Fund statutory limit (for eligibility for child care assistance) of 85% of the state median income.



FOR

FFY 2006-2007

ATTACHMENT H

GUIDELINES FOR EARLY LEARNING (Reference Section 5.2.1)

PLEASE DOUBLE CLICK BELOW TO OPEN DOCUMENT

Arizona Department of Education

EARLY LEARNING STANDARDS

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Superintendent of Public Instruction

Tacy Ashby

Deputy Superintendent of Public Instruction

Lillie Sly

Associate Superintendent of Education Services and Resources

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